



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**DAVE GOETZ
COMMISSIONER**

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 9, 2006

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OCTOBER REVENUES

NASHVILLE - Tennessee revenue collections continue to show strong performance three months into the new Fiscal Year. Department of Finance and Administration Commissioner Dave Goetz today announced that overall October revenues were \$751.7 million or 5.24% over October 2005 collections.

"Even though franchise and excise growth is slowing, as it would normally do this time of year, our sales tax and gross receipt tax collections continue a strong growth pattern," Goetz said. "Looking at the state's overall revenue picture, we're where we need to be at this time of year."

On an accrual basis, October is the third month in the 2006-2007 fiscal year.

October collections were \$14.4 million less than the budgeted estimate. The general fund was under collected by \$16.6 million and the four other funds were over collected by \$2.2 million.

Sales tax collections were \$9.4 million less than the estimate for October. The October growth rate was 5.95 %.

Franchise and excise taxes combined were \$18.8 million below the budgeted estimate of \$26.4 million.

Gasoline and motor fuel collections increased by 1.8% and they were \$1.5 million above the budgeted estimate of \$72.8 million.

Inheritance taxes were over collected by \$9.1 million for the month. All other taxes were over collected by a net \$3.2 million.

Year-to date collections for three months were \$54.0 million less than the budgeted estimate. The general fund was under collected by \$58.3 million and the four other funds were over collected by \$4.3 million.

The budgeted revenue estimates are based on the State Funding Board's consensus recommendation adopted by the second session of the 104th General Assembly in May of 2006.

<p align="center">REVENUE COLLECTIONS OCTOBER, 2006, AND 3 MONTHS YEAR-TO-DATE</p>

October Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$622,827,000	\$606,267,000	(\$16,560,000)
Highway Fund	53,814,000	54,507,000	693,000
Sinking Fund	25,935,000	25,857,000	(78,000)
City & County Fund	60,423,000	62,041,000	1,618,000
Earmarked Fund	3,087,000	3,053,000	(34,000)
Total	\$766,086,000	\$751,725,000	(\$14,361,000)

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$2,126,386,000	\$2,068,103,000	(\$58,283,000)
Highway Fund	159,125,000	163,288,000	4,163,000
Sinking Fund	77,755,000	77,490,000	(265,000)
City & County Fund	180,391,000	180,751,000	360,000
Earmarked Fund	8,054,000	8,070,000	16,000
Total	\$2,551,711,000	\$2,497,702,000	(\$54,009,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	October			
	2005	2006	Change	Percent
Franchise & Excise	\$15,406,000	\$7,558,000	-\$7,848,000	-50.94%
Income	2,297,000	3,647,000	1,350,000	58.77%
Inheritance & Estate	7,399,000	14,745,000	7,346,000	99.28%
Gasoline	51,151,000	50,754,000	-397,000	-0.78%
Petroleum Special	5,452,000	5,336,000	-116,000	-2.13%
Tobacco	8,976,000	10,365,000	1,389,000	15.47%
Beer	1,338,000	1,546,000	208,000	15.55%
Motor Vehicle Registration	19,339,000	18,706,000	-633,000	-3.27%
Motor Vehicle Title	936,000	929,000	-7,000	-0.75%
Mixed Drink	3,773,000	4,276,000	503,000	13.33%
Business	1,346,000	1,332,000	-14,000	-1.04%
Privilege	26,318,000	25,688,000	-630,000	-2.39%
Gross Receipts	30,000	70,000	40,000	133.33%
TVA - In Lieu of Tax Payments	18,344,000	21,115,000	2,771,000	15.11%
Alcoholic Beverage	3,124,000	3,090,000	-34,000	-1.09%
Sales and Use	532,454,000	564,131,000	31,677,000	5.95%
Motor Vehicle Fuel	16,403,000	18,229,000	1,826,000	11.13%
Severance	152,000	109,000	-43,000	-28.29%
Coin-operated Amusement	8,000	21,000	13,000	162.50%
Unauthorized Substance	34,000	78,000	44,000	129.41%
Total	\$714,280,000	\$751,725,000	\$37,445,000	5.24%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - October			
	2005-2006	2006-2007	Change	Percent
Franchise & Excise	\$289,087,000	\$294,792,000	\$5,705,000	1.97%
Income	6,427,000	7,409,000	982,000	15.28%
Inheritance & Estate	20,519,000	26,980,000	6,461,000	31.49%
Gasoline	154,939,000	153,500,000	-1,439,000	-0.93%
Petroleum Special	16,363,000	16,314,000	-49,000	-0.30%
Tobacco	31,591,000	31,411,000	-180,000	-0.57%
Beer	4,721,000	4,790,000	69,000	1.46%
Motor Vehicle Registration	56,171,000	60,251,000	4,080,000	7.26%
Motor Vehicle Title	2,903,000	2,937,000	34,000	1.17%
Mixed Drink	11,328,000	12,704,000	1,376,000	12.15%
Business	5,097,000	5,771,000	674,000	13.22%
Privilege	72,982,000	74,632,000	1,650,000	2.26%
Gross Receipts	12,738,000	14,214,000	1,476,000	11.59%
TVA - In Lieu of Tax Payments	54,922,000	57,447,000	2,525,000	4.60%
Alcoholic Beverage	9,207,000	9,303,000	96,000	1.04%
Sales and Use	1,602,594,000	1,676,137,000	73,543,000	4.59%
Motor Vehicle Fuel	45,818,000	48,295,000	2,477,000	5.41%
Severance	450,000	340,000	-110,000	-24.44%
Coin-operated Amusement	47,000	64,000	17,000	36.17%
Unauthorized Substance	117,000	411,000	294,000	251.28%
Total	\$2,398,021,000	\$2,497,702,000	\$99,681,000	4.16%

Table 3
August - October Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ (35,400,000)	\$ (1,700,000)	\$ (37,100,000)
Income Tax	1,800,000	1,000,000	2,800,000
Inheritance Tax	7,300,000	0	7,300,000
Privilege Tax	2,800,000	0	2,800,000
Business Tax	500,000	0	500,000
TVA	600,000	400,000	1,000,000
Gross Receipts	1,200,000	0	1,200,000
Gasoline & Motor Fuel Taxes	(200,000)	900,000	700,000
Motor Vehicle Registration	600,000	3,400,000	4,000,000
Other Taxes	600,000	300,000	900,000
Sub-Total	\$ (20,200,000)	\$ 4,300,000	\$ (15,900,000)
F & E Taxes	(38,100,000)	0	(38,100,000)
Total	\$ (58,300,000)	\$ 4,300,000	\$ (54,000,000)